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MEMORIAL,

WITH

OBSERVATIONS

UPON

*THE REPORT*

OF

THE HONOURABLE THE COMMITTEE

OF

THE HOUSE OF COMMONS,

UPON

*THE SCOTCH DISTILLERIES.*

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EDINBURGH.

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# MEMORIAL,

WITH

## OBSERVATIONS, &c.

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**T**HE Honourable the House of Commons, at the commencement of last Session, appointed a Committee, to examine the matters contained in several papers, presented to the House, relative to the Scotch Distilleries; and also to inquire into the best mode of levying and collecting the duties upon the distillation of corn spirits, in Scotland, and to report.

IN consequence of this, the Committee resolved to take up the whole subject respecting the Scotch Distilleries, in its fullest extent; that by their Report, Parliament being possessed of facts, might be enabled to decide, not only as to the extent of revenue which might be acquired from Distillers in

Scotland, and the best method of levying that revenue, but also upon the importance or demerit of the manufacture itself, appearing from its influence upon the general industry of the country, and the health and morals of the people.

TOWARDS the conclusion of last Session of Parliament, the Committee made report of their progress; and as this has been made public, I hope it will not be thought presumption in me, if, in the following pages, I endeavour to shew, how far the evidence tends to elucidate the subject, and to bring forward useful and just conclusions.

IN entering upon this discussion, I must beg leave to observe, that the first great idea, which must ever give real importance to the Scotch Distilleries, is their intimate connection with the agricultural prosperity of the country. This was so familiar to the mind of every Member of the Committee, that they thought it not necessary to examine any evidence precisely to that effect; but had this been an object of specific inquiry, the result would have been so decided, in favour of distillation, that it would have set aside every capricious prejudice, and the Distilleries would have been ever after considered (independent of the revenue which might be derived from them), as essential to the general good of the country. It would have then been seen, that the Distilleries, by consuming in their manufacture upwards of 400,000 quarters of barley,

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put more than four hundred thousand pounds annually into the hands of the farmers, by which their rents were paid, their farms improved, and a numerous race of the most hardy, healthy, and virtuous citizens have been reared educated, and rendered happy, who give strength, security, and prosperity to the kingdom. It would have been seen, how a sum, exceeding a million and a half Sterling, is by them preserved to the country, which would otherwise have been sent abroad for smuggled spirits. It would have been seen, how L. 300,000, at least, would have annually been secured to the revenue, without injury, and without complaint from any individual. These things are now mentioned, not to obtain conviction, for every Member of the Committee is convinced of them, all men who have ever thought upon the subject are convinced of them; but they are now noticed, that our subsequent observations may be seen to be properly founded, and regularly deduced from the Record.

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## PART I.

### EXTENT OF REVENUE.

IT is now my intention, first, to inquire into the extent of revenue which may be safely levied from spirits manufactured for Scotch consumption; and it is



a matter of very critical importance, to investigate what proportion of their produce the Distillers can and ought to contribute for that purpose, consistently with their own prosperity, and the general good ; and also to what sum these duties may amount annually upon the whole. Upon these important articles, great variety of evidence, or rather of opinion, has been brought forward ; but though most of them have proceeded upon the same principles, their conclusions have been extremely discordant ; and this renders it the more necessary that the subject should be minutely considered.

THERE is one thing which ought always to be kept in remembrance, which is, that the produce of the Distilleries is entirely confined to a Scotch market ; and it is a well-known fact, that the population of Scotland is estimated at nearly 1,600,000 persons of all descriptions. To that population therefore only have we to look for the consumption of the article, and for the revenue which may be derived from it. Now, though the whole evidence seems to have taken this ground, their conclusions (as has been before noticed) have been very wide of each other. The Commissioners of Excise tell us \*, that the consumption will be 3,500,000 gallons, one to ten over hydrometer proof. Mr Bonar, Solicitor of Excise, says †, 3,000,000.

\* P. 188.      † P. 214.



3,000,000. Mr Maitland, General Supervisor of Excise, says\*, 3,041,669. Mr John Leven, General Supervisor of Excise†, thinks the consumption would be 3,500,000 gallons. Mr Young, Excise-officer, 5,400,000 gallons. Mr Montgomery, Distiller, 4,000,000 gallons. Mr Maclagan, 3,447,425. And Mr Hyflop, 5703,125 gallons. The opinions formed by these gentlemen, of the rate of duty which the Distiller ought to pay, have been equally various. Some say 1s. 6d. some 2s. some 2s. 6d. some 3s. and some go the length to say, that even 4s. per gallon of the produce, ought to be paid by them to the revenue.

THIS variety of opinion and calculation has originated from the different ideas which have been formed of the price at which spirits ought to sell, still *preserving in view an adequate profit to the Distiller, and the exclusion of the smuggler from the market*. Almost all the gentlemen concerned in the Excise agree, that these purposes may be served by the Distiller, whilst he sells his spirits at 7s. or 8s. per gallon; every other person has decidedly declared, that they cannot keep the market against the smuggler, and sell above 5s. or 5s. 6d. or at most at 6s.

IN consequence of these jarring sentiments, the produce of the Distilleries to the revenue is calculated

\* P. 227.

† P. 240.

lated by some at L. 300,000, by others at L. 350,000, others at L. 400,000, and others at L. 525,000, and L. 575,000 ; but the Commissioners of Excise have declared \*, that the lowest of those sums has never as yet been realised.

THE truth is, the subject has not been attended to in these various points of view, which ought to have been materially considered, before any man could have found himself qualified to have given a just decision. The evidence in the Report can only therefore be considered as opinion, and that opinion as a random guess. But it is fortunate that facts are found brought forward, though scattered through the Report, which will lead to sound conclusions. By careful investigation, we may be able nearly to ascertain the number of the actual consumers of whisky,—the average quantity which each may be supposed to use,—the particular circumstances of that people who shall be consumers of the article,—to what extent they are able and willing to pay for the indulgence, and finally, how they may be secured to become purchasers from the legal Distillers. I shall pursue this plan of inquiry, and endeavour plainly to shew the result.

It has already been observed, that it is a settled point, That the population of Scotland does not much exceed 1,600,000 ; and upon this foundation,

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\* P. 188.

we thus proceed to calculate as follows : Under the age of eighteen, none drink spirits \* ; and it is agreed by all, that one full part of mankind are under that age :—of the remainder, more than one half must be females ; and every person who knows Scotland, will agree with Mr M'Lagan, that three fourths of these drink no spirits at least, not so much as to deserve a place in this calculation. There remains, therefore, 500,000 who may be supposed to use exhilarating cordial liquors in Scotland ; but from these must be deducted all persons who occupy the higher ranks of life, for they drink no home-made spirits ; and, if we are to judge of their numbers, from the quantities of rum, brandy, and gin, used in Scotland, which Mr Maitland says amounts to a third part of the whole spirits consumed there, and Mr Leven supposes that the proportion is still more considerable ; and if to this is added, the numbers who drink wine, strong ale, and porter, in preference to whisky, we cannot surely compute fewer in this class than 100,000 : so that, upon the whole, the greatest number of the inhabitants of Scotland, upon whom we can calculate as the consumers of home-made spirits, cannot exceed 400,000 ; and these, according to the Report, are of the middling and inferior ranks of the people †.

LET it now be remembered, that, according to the Report, the annual consumption of home-made spirits

\* Page 310.

† See Maitland, Leven, M'Lagan.

rits is calculated at 3 millions, at 4 millions, and even up to 5,750,000 gallons, one to ten over hydrometer proof.

LET it also be recollected, that the Gentlemen of the Excise have decided, that the price of the spirits sold at the Distilleries, ought not to be under seven or eight shillings per gallon. Now, it appears from the Report, that the spirits pass from the Distilleries into the hands of the dealer, who must have an allowance for his licence-duties, expences, and a reasonable profit. From the dealer, they are sent to the retailer, whose licence and expences must also be paid, and his labours remunerated; so that by the time the spirits reach the consumer, the price to him would be no less than ten shillings and sixpence per gallon: Now, upon these statements it would be found, that by the lowest calculation every individual would consume annually  $7\frac{1}{2}$  gallons, which would cost him L. 3 : 18 : 9; by the medium calculation, every person would use 10 gallons, price L. 5, 5s.; and by the highest average calculation, the enormous quantity of  $14\frac{1}{2}$  gallons of spirits, one to ten over hydrometer proof, would be consumed by every individual in Scotland, who shall drink whisky, which would stand him no less than L. 7 : 12 : 3 yearly; so that, according to the lowest computation, 400,000 of the middle and lowest ranks of the people of Scotland are supposed to pay L. 1,575,000; by the middle calculation, L. 2,100,000; and by the highest calculation,



calculation, no less than L. 2,900,000 yearly, for spirits. But that such an enormous sum should be paid, either individually or collectively, by 400,000 people in circumstances above described, is to suppose an absurdity so gross, such an absolute impossibility, that I will not trespass upon the patience of the reader, by offering any comment upon it.

THE Gentlemen of the Excise, whilst running themselves into this extreme absurdity, have given no facts in support of their opinion. But they state an important circumstance upon the subject, which merits particular attention ; and that is, that the Distillers selling at the prices above mentioned, shall be always able to undersell the smuggler, and thereby keep possession of the market. But in this their mistake is palpable even by their own settlements ; for Mr Bonar himself has declared, and every other person who has been led to mention the subject has agreed in saying, that foreign smuggled gin can be bought at L. 2, 2s. at the coast, and inland at L. 2, 10s. per anker ; which is about 5s. per gallon, proof-spirits. And it is to be seen over the whole Report, that at that very time, when gin was thus smuggled, whisky from licensed Distilleries was selling at from 3s. 6d. to 4s. and smuggled Highland whisky from 4s. to 5s. How then could it be supposed, that spirits from the legal Distiller would find such a preference in the market, as to bring 8s. per gallon, when the same market may be supplied by the smuggler with spi-

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rits at from 4s. to 5s.? It is self-evident, that a smuggler, whether foreign or domestic, must have a price which will compensate him for his time, his expences, and risk ; but it is equally evident, that when legally distilled spirits were selling at from 3s. 6d. to 4s. say 5s. both foreign and domestic smuggling did abound to a great degree, and the smugglers found their risk warranted, and their profits sufficient, when they sold at 5s. at the highest. Is it not then clear to demonstration, that if the price of permitted spirits shall be raised to 8s. then the smuggler, whose situation remains the same, will find no difficulty to exclude the legal manufacturer from the market? It is certainly true, that gin can be purchased in Holland so low as 1s. 6d. per gallon : the freight is but a trifle ; and I am certified that it can be insured against seizure for a very moderate premium ; so that Mr Montgomery's declaration was just, and to the point, when he said \*, That the Distiller of gin in Holland, by means of 2s. 6d. per quarter bounty, and 10s. per quarter drawback-duty, is supplied with malt from Britain, so much lower than the British Distiller can purchase it ; that the Dutchman, who pays no duty either upon spirits or malt, is enabled to land his gin upon our coasts, at a price as low as the duty of British spirits. If then the price shall be raised to 8s. how shall our Distillers preserve the market against the foreign smuggler? Common sense decides the question, and long and universal experience



rience accords with it. Mr Young, one of the most moderate of the officers of Excise, expressly says \*, that if the price of spirits shall be raised much higher than 6s. per gallon, one to ten over hydrometer proof, smugglers of every description will be induced to resume their illicit traffic, as is now actually the case in many places of the Highlands. And Sir Archibald Grant of Monimusk †, expressly declares, That if whisky shall sell above 2s. 6d. per Scotch pint, it will be smuggled from the Highlands, if ten times the present number of Excise officers were stationed there to prevent it ‡. It may therefore be considered as decided, that if the licensed Distiller is compelled by advanced duties to sell his spirits at 8s. per gallon, the revenue from that subject will be annihilated; there will not be one legal Distiller in Scotland; and yet if that should happen, *spirits would be found as plenty, and as cheap as ever.* The information, therefore, or rather the opinions, given by the Gentlemen of the Excise, must appear to have been neither well founded nor duly digested. Every other Gentleman who has given his opinion upon the subject, has settled the highest price which can compete with the smuggler to be from 5s. to 6s.; which price is neither above the abilities or inclination of the consumers, as appears from this, that they at present give nearly that price for foreign smuggled gin, and also for whisky, one to ten over hydrometer proof. When therefore, from clear and well-founded evidence, collected

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\* P. 257.

† P. 302.

‡ See Keith, p. 62.

from the Report, we put together the whole circumstances into one view, the following statement will be found just and authenticated.

In the manufacture of spirits from grain, the account will stand thus.

To Grain 2s.	} per gallon.
Expence, 1s.	
Duty, <del>4s.</del> 2/	
Profit, say 1s.	

Total price of spirits at the Distillery 6s. per gallon, one to ten over hydrometer proof. Add 2s. to the retailer and dealer, the price to the consumer would be 8s. per gallon; and if, as Mr M'Lagan has computed, forty eight persons shall consume one gallon daily, though it is surely a very high average, the quantity consumed will be 3,447,425 gallons yearly, which at 8s. would cost the consumers in general L. 1,379,470 Sterling, and every individual L. 3, 8s. yearly.

THIS average upon the individual, would be intolerable, if applicable to the lower ranks; but these are supposed to be relieved by the middling class, who are more wealthy, and are supposed to bear the greatest proportion; and by this calculation, the revenue would be L. 344,742, 10s.; which is greatly beyond what ever has been attained, or ever will be realised, unless smuggling shall be completely depressed

ed by moderate duties. But at any rate, no more than a duty of 2s. per gallon can ever be expected from the population of Scotland; for they can consume no greater quantity of spirits; neither can they afford, or will they ever be induced to pay, a higher price to the legal Distiller, when they can always be supplied by the smuggler.

If the Distillers shall manufacture, in any one year, a quantity beyond what is here calculated, the overplus must remain upon their hands till the next; and if the revenue in one year exceeds, in the next it will be found deficient. Men may speculate as they please, but the population of the country, their consumption, and their ability to pay, remain unchangeable. A higher duty, and consequently an increase of price, would chase the people from the legal market. Every Distiller of sense would withdraw himself from the trade,—every speculation respecting the revenue would prove abortive, and all hopes from the Distilleries for the benefit of the country would soon be blasted, and nothing would prosper but smugglers, and the officers of Excise.

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## PART II.

### HEALTH, INDUSTRY, AND MORALS.

It is impossible to say from what the opinion has originated, but it is evident, that some how  
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or other it has been put in circulation, that spirits manufactured from grain in Scotland are unwholesome, and do in fact, in a considerable degree, injure the health of the people; and farther, that in consequence of the use of these spirits, a general disorder in the morals of the lower ranks prevails.

IN consequence of the impression made by the diffusion of this opinion, the Honourable the House of Commons enjoined it upon their Committee, to make the foundation of this Report a specific object of their inquiry. The House of Commons were fully sensible that health was of such consequence to the community, that it was their duty to guard it carefully against every circumstance which might threaten to invade it, though for that purpose it should be found necessary to contradict the strongest propensities of the people; and also that sound morals are of such infinite importance, both to public and private happiness, that every exertion ought to be made to preserve them untainted; and no sacrifice could be esteemed too great to secure that great and sure foundation of the honour and strength of any people.

UPON the event of this investigation, the very existence of the Distilleries behoved to depend; and accordingly, these views seem fully to have occupied the attention of the Committee; and the first  
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head of inquiry directed to Mr Bonar\*, seems intended to embrace the important subject. But it would appear, notwithstanding this, that from the very commencement of the investigation, the Committee were so satisfied, that the spirits manufactured from grain in Scotland were not unwholesome; that they have not thought it necessary to pursue the inquiry, or that one single word upon the subject should be put upon the record. Indeed there is something so absurd in the idea, that so many hundred thousands of people should have, for centuries, made daily use of a poisonous and unwholesome liquor, and yet continued to be as healthy, vigorous, and long-lived, as any people in Europe; that the whole business would have appeared in a most ludicrous point of view, if it had been made the subject of any serious investigation.

It is true, that the Distillers from the Highlands did alledge, that the spirits of their own manufacture was of a quality superior to what was produced in the Low-country Distilleries; and it was their interest to say so; but their testimony, as to their wholesomeness, was completely reprobated by the universal tenor of the evidence; for Distillers, merchants, and chymists, both of England and Scotland, were unanimous in declaring, that the manufacture, whether carried on in the Highlands or Low-country, whether distilled from malted or unmalted grain, whether distilled from large or small stills, whether from strong or diluted

diluted wash, whether by a slow or rapid distillation, were all equally wholesome. And though spirits distilled in the Highlands from malt impregnated with the smoke of peats, or in the Low-country from malt only, or from a mixture of malted and unmalted grain, differ in their taste and flavour, and are esteemed palatable or otherwise, according as the people who use them, have by habit acquired different predilections; yet, in the article of wholesomeness, there is not the smallest difference to be discerned; for the truth is, good or bad spirits may, and have been manufactured in every place, and upon every different plan, according to the knowledge or ignorance, to the care or negligence of the different manufacturers, even when the materials have been the same. It must therefore be considered as a point decided by the Report, *That spirits manufactured in Scotland from grain, are not in themselves unwholesome.*

Now, though this proposition is settled, it must, notwithstanding, be allowed, that these spirits, or spirits of any kind, yea, that every stimulating liquor, may by abuse become unwholesome, and may be extremely injurious to the consumer, if used to excess; it must also be allowed, that this intemperance may either become the cause, or the effect, of enormous vices, and consequent irregularities in society. This being true, as it was an object specially recommended to the Committee, it was natural to have expected, that it would have been  
made



made a matter of specific inquiry, whether or not, from the general use of spirits, the people of Scotland have become addicted to general intemperance? or if that indulgence has had a pernicious effect upon the industry or morals of the people? But to substantiate such facts against Scotland, not a single syllable is to be found in the Report.

THAT such an idea should ever have been entertained, much more that it should have been publicly expressed, has excited with many a very ferocious indignation. For, though it cannot be denied, that in Scotland, as well as England, there ever has been found numbers of profligate worthless wretches, who, by their intemperance, irregularities, and other crimes, are a nuisance in society; yet it is believed, that the most minute investigation upon this subject, must have redounded to the honour of the general moral character and temperance of the Scotch nation.

WE find it taken notice of in the Report, that during the prohibition of distillation, many of the people were more sober and industrious than they had been before, or have been since it was removed. But persons the least acquainted with facts must have remarked, that there was during that period, not only a scarcity of spirits, as the prohibition was then vigorously enforced, but also a scarcity, even almost a famine, of bread, insomuch that the quarter of wheat, which can now be bought at

L. 2, 2s. at that time brought as high a price as L. 6, 6s. ; so that this scarcity and dearnefs of food was as much the occasion of sobriety and industry, as the scarcity of spirits ; but when both were conjoined, the effect must have been unavoidable. But in order to keep the poor people of Scotland sober and industrious, it never can surely become an object of deliberation with Parliament, to raise the price of wheat in that country to L. 6, 6s. per quarter. However, as we find it stated strongly, especially by the Gentlemen of the Excise, that the morals of the people, especially of the lower ranks, need correction, or rather to be preserved from corruption ; and for that purpose they propose, that by the imposition of very high duties, the price of spirits should be raised to more than double the sum for which they sell at present ; that thereby they may be put entirely beyond their reach. As every thing which holds forth the idea of a moral arrangement, comes strongly recommended to every rational mind, I shall, with the assistance of the evidence in the Report, examine the proposition of these gentlemen, which I will endeavour to do with precision and candour.

I HAVE already observed, that the general charge of intemperance, and consequent want of industry, is by no means substantiated in the Report, against the people of Scotland, even respecting those periods when whisky sold at half the price at which it sells at present.

ON the other hand, it has been fully substantiated, that if the price of spirits shall be raised beyond 5s. per gallon at the Distilleries, a smuggling-trade, both foreign and domestic, will universally occupy the market; by which means, spirits will be furnished to the country, in such plenty as will supply the general consumption, and that at a price which will be adequate to the circumstances of the consumers. Now, that man must be entirely devoid of understanding, who does not perceive how infinitely more prejudicial to the moral policy of any country, such universal derangement would become, than any thing which could possibly be derived from legal, well-regulated Distilleries.

THE least injury done to society by a smuggling-trade, is the annihilation of the public revenue, for it is utterly subversive of every moral principle, every religious impression, and introduces, and diffuses abroad, every species of disorder, inconsistent with good government.

THE Report is full of this idea. Mr Bonar \* declares it as his opinion, "That every species of "smuggling is prejudicial to the morals of the "people, and not favourable to their industry;" and the Rev. Mr Skeen Keith is yet more explicit, when he † thus describes the effects of smuggling: "The effects of smuggling, I have observed to be "the following: Turning night into day, and day

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“ into night, in order to evade the notice of the Ex-  
 “ cise-officers. Sudden rises and depression of for-  
 “ tune, from the gaming spirit which takes pos-  
 “ session of the mind of a smuggler, the introduction  
 “ at least, if not a considerable progress of immora-  
 “ lity, a total neglect of that division of time which  
 “ is the soul of industry, and a gradual and total  
 “ disregard of their health, morals, and religion.”

I BEG leave here to quote a passage upon this  
 subject, from a Pamphlet published some time ago,  
 entitled, *The Distilleries Considered*, where the  
 author expresses my meaning with justice and energy.  
 His words are \*, “ Let me now, then, suppose, that  
 “ the smuggling-trade was set thoroughly afloat ;  
 “ that the smugglers covered our seas with their  
 “ ships, and filled our coasts with their spirits ;—  
 “ surely, upon this supposition, the country would  
 “ be in no better situation than if they were sup-  
 “ plied by the Distilleries ; for the spirits would be  
 “ equally plentiful and cheap, which would equally  
 “ affect the morals of the inhabitants. But I attend  
 “ more especially to the vast numbers of men en-  
 “ gaged in this illicit traffic ; and I feel a degree of  
 “ sickening horror, when I reflect but a moment  
 “ upon what sort of men these must be, and what  
 “ are the dispositions and actions to which they will  
 “ be naturally led, in the necessary course of their  
 “ unhappy engagements.

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“ THE traffic of the smuggler is illicit, hazardous,  
 “ and daring ; the bold and daring only will under-  
 “ take it. It puts them straightway out of the peace  
 “ and protection of their country ; the lawless,  
 “ therefore, and the desperate, will quickly unite  
 “ themselves to these lawless societies : among them,  
 “ persons guilty of the most enormous crimes will  
 “ expect to find a safe asylum. Their business is a  
 “ warfare against regulated society : they are, there-  
 “ fore, enemies to their country ; and, in the pro-  
 “ secution of their bold, their lawless enterprises,  
 “ they will regard every one who shall oppose them  
 “ as an enemy ; and thus shall they soon become  
 “ accustomed to blood and murder. The perpetual  
 “ hazard of the boisterous seas, the hazard of ruin,  
 “ captivity, and death, to all which they are ex-  
 “ posed, will keep their minds perpetually up to  
 “ the high tone of desperation, and will create a  
 “ character such as is fitted to fill the mind with  
 “ horror, where every virtuous sentiment is lost in  
 “ the whirlwind, and every vicious tendency is in-  
 “ flamed to madness. Think now, I am not here  
 “ speaking of one only, or a few wretches devoted  
 “ to destruction ; I speak of thousands, of many  
 “ thousands, of the human race, of our country-  
 “ men, who would thus be lost to society, lost to  
 “ themselves, and lost for ever. How would the  
 “ man of virtue, the man of humanity, lament  
 “ the ruin, and lament the narrow policy, the  
 “ blind prejudices, by which it would be produ-  
 “ ced !”

I AM not indeed of the opinion of those who affirm, that in the cold northern climate of Scotland, the use of spirits is absolutely necessary for human comfort or existence. But though nature has not dealt so hardly with mankind, in any clime; yet there has arisen from habit an adventitious necessity, which is as powerful as if it had been enforced by the hands of Nature, a necessity which it would be very difficult to overcome, and it would even be in some measure hazardous to attempt it.

THE use of porter and strong ale, is not only unnecessary for the health, strength, or morals of the people of England; but it is certainly true, that the immense quantity of these liquors consumed, is detrimental in all these points of view, for they are productive of the most excruciating diseases; and though for a time they may seem to nourish, they in fact debilitate the frame, insomuch that, by the intemperate use of them, men a little advanced in age become incapable of labour; and having been unhappily unprovident in their youth, if they do not die early in life, they are generally reduced to depend for subsistence upon public charity; and this accounts for the observation which may strike any person, that in London few men are found labouring for their subsistence at an age much beyond fifty years; whereas in Scotland labourers are seen in great numbers, considerably above that age, capable of sufficient exertion, with steady industry earning their daily subsistence.



subsistence. Notwithstanding all this, were the use of those liquors prohibited, or even the price of them greatly advanced in England, it might be found productive of very serious discontent. It is therefore, in this point of view, and in this alone, that I consider the use of corn-spirits necessary in Scotland; and in this point of view, the people of Scotland will be found determined to indulge themselves in that luxury, to which habit has given them so strong a predeliction; and in the indulgence of which, when temperately used, the experience of centuries has convinced them, that there is no hazard to their health, their moral principles, their industry, their conduct, or success in life.

SEEING they are thus determined, it may be depended upon, that they will do hereafter, as they have done hitherto; they will betake themselves to that market where they will be served upon easiest terms; and if the legal Distiller is prevented by high duties from doing it, the smugglers will not only in them find ready purchasers, but every assistance in carrying on their illicit traffic.

THE difficulty, the hazard, the secrecy with which this must be effected, would but give greater avidity, and increase the passion for indulgence, and would occasion, that numbers would become notorious drunkards, who might otherwise have continued sober, industrious, and useful men. Upon the whole, it is obvious as noon-day, that the plans which

which the Gentlemen of Excise seem so anxious should be adopted for the preservation of the health and morals of the people of Scotland, by raising the duties, and thereby obliging the Distillers so to raise the price of spirits, as to put them out of the reach of the lower ranks of the people, would be entirely subversive of their very purpose, and would not only be introductory to every possible illicit combination against the revenue, but also to the most dangerous and atrocious vices, by which a people can be corrupted, and society enfeebled and disgraced. For well regulated Distilleries alone can afford spirits to the community at a reasonable price, which would exclude the smuggler from the market ;—prevent that general derangement of manners, that dissipation and intemperance which are found the perpetual attendants of a smuggling-trade, which only can be prevented by moderate duties, moderate prices, and prosperous legal Distilleries.

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## PART III.

### THE HIGHLAND CLAIMS.

It must afford great satisfaction to the Honourable Committee, to find themselves, in consequence of their investigation, enabled to report to the House, upon the most unquestionable evidence, that the  
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Scotch Distilleries are a manufacture highly necessary and advantageous to the agriculture of Scotland; that they afford a wholesome spirit, which can only be pernicious when used to excess; that the consumption of this article of luxury lessens the importation of foreign spirits, and thereby preserves in the country an immense sum of money, which would otherwise have been sent abroad for that article; and that, without discouraging the manufacturer, or oppressing the consumer, the Distilleries may afford a permanent yearly revenue of nearly L. 350,000. But in midst of these prospects and promises, it must be remembered, that there will ever be found almost a total deficiency in every article above specified, unless the *trade be protected exclusively to the legal Distiller*. --How this may be accomplished, and the revenue secured, has been a subject of anxious investigation with the Committee. The British Parliament, and the people at large, wait impatiently for the result.

I PROCEED now to lay before the Committee, the impressions which the evidence reported has made upon my mind upon this part of the subject.

I COMMENCE my remarks with this important, and almost self-evident proposition, *That if duties are imposed upon spirits manufactured in Scotland, which shall render it necessary to raise the price of the article above what the consumers are willing, or able to pay for it, this must act as an absolute prohibition.* The

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consumption

*consumption of the article must cease, and the expectations of revenue be disappointed\**. Mr Maitland also seems impressed with the same sentiments, when he says †, That he is of opinion, if the duties laid upon spirits should be so high as 3s. 6d. or 3s. 8d. per gallon, the consumption would no doubt be considerably lessened. The revenue, indeed, would be found reduced almost to nothing, for an universal smuggling-trade, which would be countenanced by persons of every description, would afford spirits so cheap, that the legal Distiller would find no sales, and could pay no duties, nothing, therefore, can more effectually disappoint the revenue than the imposition of too high duties.

I must take the liberty to offer another observation equally material to the subject in question ; and that is, if the market shall be supplied, whether legally or illegally, with spirits which have paid no duty, or which have paid a duty inferior to what is paid by others, in as far as these shall occupy the market, in the same proportion must the revenue be deficient ; for the whole calculation has proceeded upon the *idea that all shall pay alike*. This principle needs neither illustration nor evidence to support it ; but it becomes very interesting, when it is applied to the indulgence which has been granted to, and is still claimed by, the Highland Distillers,

\* See upon this subject Mr M'Lagan's Answers, p. 309.

† P. 227.



Distillers, by which they have been enabled to distill at inferior, or at no duties, and to occupy a very extensive proportion of the Scotch market.

It ought always to be kept in mind, that the Scotch Distilleries are a manufacture not capable of being extended *ad libitum*; their sales are by law confined to the Scotch market, and there they can only find 400,000 consumers of their produce. If, then, one third of these shall be supplied with spirits which have paid little or no duty, one third of the revenue must certainly be wanting.

In this point of view, the reasoning against the Highland exemption, as far as the revenue is concerned, is unanswerable. But as the dispute upon the subject at large has been very keenly agitated, and as it involves a number of points independent of revenue, and upon every point a multiplicity of evidence has been examined, it becomes now necessary that we attend to the conclusions which must be derived from all facts and circumstances which have been brought fairly into view, and stated in the Report.

THE friends to Highland exemption have alleged, in support of their claims, *That their grain is inferior to that which is produced in the Low-country; that their fuel is bad, and difficult to be got; that their roads are impassable; and that they have neither stock nor skill sufficient to enable them to com-*

*pete with the Lowland Distillers, unless they are indulged in point of duty; and, finally, that without their Distilleries, small as they are, their infant agricultural improvements must be relinquished.* Thus, I apprehend, their claims are fully and fairly stated; and I shall endeavour to examine with impartiality, how far they appear to be substantiated. First, they state, That their barley is of inferior quality; yields less spirits, and of consequence they cannot afford to pay an equal duty. In this proposition, their inference is not fairly drawn, neither is their postulate strictly true; for it does not appear from the Report, that it is either universally, or even generally true, that the barley produced within the Highland districts is of inferior quality to that which grows in the Low-country, *excepting in very particular spots.* It is indeed true, that Mr John Stewart, Distiller at Blair in Athole\*, mentions his having found difficulty to procure supply of barley for his Distillery, within his district, and that the quality was very inferior, and unproductive. But it has unfortunately happened for this gentleman's evidence, that he is actually found selling both barley and malt, of very good quality, and in considerable quantities in the Perth market, which was there shipped, both by Mr Duncan and Mr M'Lagan, for the South-country Distilleries†. I must be excused, therefore, from paying any further attention to that gentleman's evidence, especially as it appears from the united testimony of corn-dealers

\* P. 23.

† P. 110. &amp; 162,

dealers and Distillers, that they have made large purchases of grain, not only in the intermediate, but even in the Highland districts, equal to what they commonly shipped for the South country; and also, that there are very extensive tracts of exceeding fine soil in both districts, which are very productive of good grain.

From this it is evident, that a sufficiency of grain may be procured in the Highlands; and also, that the grain of that country may be manufactured into spirits with advantage; or else, the Lowland Distiller would not use it in his manufactory, with the additional expence of carriage, which puts the advantage materially upon the side of the Highland Distiller. But if we were even to allow, that a great proportion of grain growing within the Highland districts, were of inferior quality and unproductive;—yet it is made evident from the Report\*, that there is also a great proportion of inferior grain produced in every county of Scotland, in the interior parts of the Lothians and Berwickshire; in the shires of Fife, Kinross, Dumfries, Roxburgh, Galloway, Wigton, Lanark, and Ayr;—but it is the peculiar advantage of the Distilleries, that they afford a market for this inferior barley, and make it profitable for the farmer to cultivate it, in soils, and in climates, where otherwise it could not have been done to advantage. As to its being said, that much of the Highland grain is frequently damaged

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or stained, this is also generally true, in some measure, over all Scotland; but, as the Highland Distillers profess, that they can use no such grain in their process, it follows of course, that their process is of essential prejudice to the country, and surely merits no encouraging premium.

BUT I must be permitted to go yet one step farther, when I observe, that the lands are much lower rented in the Highlands, and the price of labour, and almost every necessary article of life, is also much cheaper than in the Low country. The farmers therefore can, and actually do, sell their barley much cheaper to the Distiller, than is done in the Low country, as is evident from grain being sent from thence to the South; if, therefore, any favour was to be granted, on account either of the price or quality of barley, it could not, surely, be justly claimed by the Highland Distillers.

THE second circumstance upon which the Highlanders have founded their claims, is, the expence of fuel necessary in carrying on their process.

WHERE the Distillers have easy access to coals, by sea-carriage, I consider the expence of shipping of grain from the North, more than an equivalent to the carriage of coals from the South. But where they are necessarily confined to the use of peats for fuel, I must observe, that if the duties are to be raised by survey, as the process of distillation may  
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be carried on with sufficient leisure, the distinction of the fuel can make no essential difference; and if the duties are to be levied by a licence upon the contents of the Stills, I refer to the experiments made by the accurate and ingenious Mr Corbet, Collector of Excise, from whose Report \* it appears, that Stills may be wrought with equal rapidity by both kinds of fuel. But though we were to allow, that coal possessed a decided preference, yet it must not be forgotten, that in the Highlands peats are to be obtained at only the expence of labour in preparing them for use; and in that country, the price of labour is comparatively very low; so that this, of itself, would balance a very considerable difference, if any actually subsists as to the real expence of fuel.

THE third foundation upon which they claim exemption is, from the badness of their roads, and the distance from which they must carry their grain to their Distilleries.

It is fully proved by the evidence of Mess. Duncan, Wilson, Duff, and M'Lagan, that all the great roads through the Highlands are in a state of high perfection, or in the course of being speedily made so. The great roads in the Lowland districts are much the same, and the cross-roads in both are equally out of repair. In no corner of the Highlands are they farther removed from shipping-ports, than

than they are in many districts of the South. From some places they carry their barley 40 miles to the Distilleries near Edinburgh, and from these Distilleries they send their spirits 120 miles land-carriage, to market. And farther, it may be observed, from the evidence of Mess. Duncan and Wilson, that farmers who carry their grain to the Perth market, from any distance, in general find return-carriages of groceries, wood, iron, coals, and lime for manure, &c. which fully repays them; but if no other circumstance were in their favour, the opportunity afforded them, upon carrying grain to market, to carry lime in return for the improvement of their lands, much more than recompences them for their time and labour.

BUT, if the roads were still worse than they really are, and Government were disposed to do an essential service to the Highlands, they would levy, to the full, the duty on spirits, and by applying to the reparation of the roads what would have been lost to the revenue by partial exemption, even for a single year, they would be enabled to put into full repair the most important cross-roads in the Highlands of Scotland. But the truth is, the plea is too trifling to engage even a serious thought, and merits none of the attention of the Hon. Committee.

THE only argument in favour of partial indulgence for which the Highlanders plead, which remains to be considered, is, the loss which they alledge it would  
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be to the agriculture of their country, if the Distilleries were removed from them, and confined to the South; which, say they, behoved to be the case, if all were made subject to the same duties. But this is begging the question, in order to create an argument; for the event would be directly opposite to what is predicted; for Mess. Wilson, Duncan, Duff, and M'Lagan, expressly declare, that nothing prevents Distilleries being established at Perth, Dundee, and other places, but the prevalence of smuggling from the Highlands, from licenced and unlicenced Distilleries; for as long as the country shall be filled with their smuggled goods, such establishments could not be attempted; and this must ever be the case; till the exemptions are abolished; but, on the other hand, it is argued, that though many situations may be pointed out in the North, highly favourable for the erection of Distilleries, where they may have excellent grain in great plenty, and at very reasonable prices, where every necessary article could be furnished by water-carriage, and where they would be surrounded with a good and extensive market for their produce; yet none of these can be safely occupied by any of the Highland Distillers, who are represented as poor people, who have but very small capitals, as a people uneducated, and ignorant either of the theory or most profitable practice of distillation; who neither know nor are provided with utensils proper for carrying on the trade: all which circumstances render them incapable of meeting the Lowland Di-

still in the market, upon equal terms. It cannot surely be imagined, that the legislature of any country could listen for a moment to such representations and complaints; for the only answer which could possibly be given, would have been, These men are certainly not in a situation to carry on distillation to advantage, and they ought, therefore, to relinquish it to persons who can do it properly.

It is undoubtedly the same thing to the community at large, it is the same thing to the interest of agriculture in the Highlands, whether Distilleries shall be carried on by native Highlanders, or by persons born in the Low country. I even apprehend it would rather be of very great advantage, if some of these North-country stations should be occupied by Distillers from the South, who would find it for their interest to carry north their capitals, their knowledge, their industry, and their utensils; for this would have a quick and diffusive influence upon the prosperity and industry of the country: the farmer would have a market near him, where his payments would be sure; he would redouble his industry, and enrich the Highlands.

HAVING thus examined the Highland claims, it is but just that we proceed to look at the statements of the opposite party. They are as follow:

*Partial taxation is in itself unpolitical and unjust.*



*THE Distillers in the Highland districts have not confined themselves under legal restrictions ; but have carried on a very extensive illicit trade.*

*If the law shall continue to grant them particular indulgence in the rate of duty, it would be found impossible to fetter them by restrictions. They would continue to be smugglers ; and all such exemptions, without proving beneficial to the Highlands, would be found prejudicial to the community at large, and greatly injurious to the revenue.*

To enter upon the subject of the impolicy and injustice of partial taxation, devised under the idea of equalizing the different situations and circumstances of people living under the same Government, would lead me into a speculation without the line by which I proposed to conduct myself upon this occasion, where I have resolved not to depart from the decision of facts substantiated in the evidence. But here there is no occasion to reason upon general principles, when the matter can be so easily decided from facts fully authenticated ; for the evidence, almost without exception, have given it as their opinion, that all exemption ought to be abolished, for this plain reason, that ever since the commencement of the law, every Distiller in both the Highland districts, regardless of legal restraint, has uniformly carried on a smuggling-trade under the covert of his licence ; and by this means, has occupied a considerable part of the Scotch market, to

the manifest prejudice of the public revenue. They are also uniform in their opinion, that whilst this or any similar law shall subsist, no restrictions will be attended to; and that no diligence or attention in the officers of Excise will ever be able to prevent their illicit practices.

SEEING, then, all have concurred to one precise point, it might be reckoned unnecessary to quote the testimony of any one in particular; but I cannot refuse myself the satisfaction of engaging particular attention to the very candid declaration of Mr Johnston, who himself was a Distiller. He says\*. That in the course of ten years business, he did not sell the produce of one year, to be consumed within his own district; and that, for a certainty, all his neighbours acted in the same manner; and that, though the barley which grew in his district was as good, and as well got into the barn, as in any other district, and though he could have found plenty of it there to answer his purpose; yet he never refused a good bargain when he could get it; and often bought barley from the Low-country district; and † he shews expressly how it became impossible for the officers of Excise to prevent these illicit practices, respecting either their barley, their malt, or their spirits. Such was the testimony given by a Distiller in the intermediate district; and this was corroborated, not only by innumerable facts brought forward by other witnesses, but more especially by Mr Corbet,

bet, General Supervisor, who was consulted upon the subject by the Board of Excise; who in his letter addressed to them, gives the reason for being decidedly of opinion, that there was no possible method by which fraud could be prevented, but by abolishing all distinction in the rate of duty; or plan of levying it. So that there certainly cannot now remain two opinions upon the subject; for the Highland Distillers were restricted by law, to the use of grain produced within their own districts: in the quantity of malt, they should manufacture without duty; in the quantity of spirits, they should distil from it; and they were prohibited from sending any spirits into the Low-country, every one of which restrictions they have continually violated; it is impossible, therefore, to counteract the influence of testimonies so numerous, and strong, where reason, and testimony, and fact, are so closely united in one point\*.

It has been already observed, that it would prove a very material advantage to the Highlands themselves, to be delivered from the fetters of the present law; but whatever opinion they may entertain upon the subject, none of their Distillers are entitled to contradict it; for we find their sentiments collected in the printed correspondence betwixt them and the Commissioners of Excise, upon that subject†, where they all, either personally or collectively, have declared, that the annual balance in trade

\* See Mr Corbet's Letter, p. 487. † P. 566 to the end.

trade has been entirely against them; so that no capital which they can be supposed to have possessed could have preserved them from bankruptcy. If therefore they have had profits, which they certainly must have had, else they would have relinquished their business, they must have arisen from *undiscovered, unlicensed transactions*.

BUT I must farther observe *from their own accounts, and from still better testimony than theirs*, that there is a loss to the public so material, by their management, that it would be an act of real injustice to the community to encourage them in their plans of distillation. Throughout the whole Report, the Highland Distillers are represented as poor and ignorant, without proper utensils, and without stock; in short, as a company of needy smugglers; but more especially, it appears, that their process is so completely defective, that they have not produced equal to two thirds spirits, of the same strength, of what is produced by the Low-Country Distiller from the same grain; which is a deficiency of 5 gallons of spirits from the quarter, one to ten over hydrometer proof. The Rev. Mr Skeen Keith, when pleading earnestly in behalf of the Highland Distillers\*, makes the difference against them much greater; he states it as no less than ten gallons per quarter; but suppose we should restrict the deficiency to five, which is less than what is generally represented by the Highland Distillers themselves, the loss to the public



public would be immense ; for supposing the whole trade in Scotland should work upon the Highland plan, reckoning 400,000 quarters to be annually consumed in the Distilleries, and 15 gallons spirits to be the product per quarter, the loss to the community would be 133,333 quarters of barley entirely wasted by misconduct, which would have produced 2,000,000 gallons of spirits, which, at 5s. per gallon, would have given L. 500,000 Sterling annually. In no situation surely can such a mode of working deserve a premium.

THE same carelessness and want of economy would have been observed, respecting the application of their grains and spent wash ; so that, upon the whole, it must be considered as highly impolitic and improper to encourage Distillers, who, even *by their own accounts*, work without a profit to themselves, and upon a system so highly injurious to the community, and so very detrimental to the revenue.

BUT if I could be persuaded, contrary to every reason, and in opposition to decided experience, to grant indulgence of any kind, without a doubt it ought to be confined to the real Highlands, and not include any of those extensive, rich, and populous Straths, which are equal in fertility, and where the inhabitants equal the industry of many in the more southern districts ; and whatever that indulgence might be, it should be considered as merely conciliatory, and not founded upon reason, justice,

or necessity, or as at all countenanced by any part of the Report.

I MUST therefore conclude this part of the subject, with affirming the propositions which I first laid down, as confirmed by evidence in every point, that upon no possible plan can the revenue which the Scotch Distilleries are fitted to produce, be *assured*, while Highland exemptions are permitted, and *their surplus duties ascertained by survey*. For in proportion as they shall be licensed at inferior duties, or become the occasion of filling the market with smuggled spirits, in such proportion must the revenue be found deficient, and that must be to a very great extent, which never can possibly be compensated by any advantages supposed to be derived from it, to the agriculture of the Highlands, or the community at large.



## PART IV.

### THE SYSTEM OF SURVEY.

I PROCEED now to state the advantages and disadvantages of the different plans which have been proposed for levying the duties imposed upon the Scotch Distilleries, which have been offered with much earnestness to the attention of the Committee,

mittee, and the public in general; in each of which a variety of modifications have been proposed. The first is, what is called, The plan of Survey, which is the most ancient, whose powers and effects may have already been fully ascertained, having been so long in practice, and been subjected to such a variety of alterations.

THE second is, The licence-system, by which it was hoped every defect of the former would have been corrected.

THE third is, a compound of both these, which has been held forth as uniting in itself all the advantages, and providing a remedy for every defect which has been experienced in either of the former.

I SHALL consider them separately, as they are represented in the Report, in their true genius and effects, from facts, and a course of former experience.

THE first mentioned, is that called, The System of Survey,—a very accurate account of which, from its first establishment to its being abolished in the year 1786, is given by Mr Bonar\*. According to this system, the duties were always imposed upon the gallon of spirits manufactured of a certain strength; and the great object of it was, to ascertain precisely the quantity that should be manufactured,

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\* P. 214.

in order that the duties might be fairly levied ; to obtain this, a great variety of expedients and checks have been devised and enacted, to prevent fraud being committed by the Distiller individually, or in collusion with the officers of Excise.

THE Commissioners of Excise in Scotland, and all the officers who have offered their opinions to the Committee upon the subject, are decidedly in favour of this system ; proposing at the same time additional checks and regulations ; and in support of their opinions, it is stated, *That survey is most congenial to Excise-regulations, in every other instance : That it is the practice in England, and there successful : That it equalises the duty upon the manufactures : That they have it in their power, under this system, to manufacture better spirits : That as large, if not a larger revenue, would be thus made effectual, than upon any other plan.* Considering the zeal which has been displayed upon this subject, by Gentlemen so versed in every Excise arrangement, I expected to have found sound reason, and indisputable facts, adduced in support of a plan so decidedly preferred. But after I have perused every thing which has been advanced by them, with the most accurate attention, the above have been all I could discover ; and it is now my duty to consider the weight they bear in the argument, and how far they are supported in the Report.

I REALLY do not pretend to understand distinctly,  
what



what is meant by being congenial with the Excise ; but I know, that, as servants of the public, the utmost powers of their genius ought to be employed to do their duty faithfully and effectually. It is far from being sufficient for them to say, that this plan accords with the *habits* of the Excise, and that it is still pursued in the Soaperies, Glas-works, Breweries, &c. ; for were the operations in these works brought under review, I am well assured, that the manner in which the duties are there collected, would not be considered as a commendation of the Survey-system. But besides this, every manufacture is attended with circumstances peculiar to itself, which must direct as to the manner in which the duties ought to be levied from it. There is a length of process, a complexness in the business of distillation, which affords opportunities for the commission of frauds which do not occur in almost any other manufacture. So that no real similitude could be found, which could warrant an entire similitude of system ; but if such a perfect resemblance could be discovered, if the pan of the Glasshouse, the Brewer's mash-tun, or the malster's cistern, &c. could with as much facility and certainty of operation be brought under a system of licence, as the Still of the Distiller, I cannot hesitate a moment to say, that whatever predeliction the Excise may have to ancient habits, their habits should bend before the public interest, and they ought to substitute that which would be found most beneficial.

They farther tell us, that it is the system practised successfully in England, and ought therefore to be resumed in Scotland. But here I beg that it may be remembered, that in the year 1784, one law was made common to all Britain; and it was from decided experience of its inefficiency, that it was altered, respecting Scotland, in the year 1786; so that this directly contradicts what Mr Bonar has been pleased to say\*, that the repeal of the System was procured by the address of the principal Distillers; but he will not find credit with any man, were he to allege, that all the combined address of the Distillers of Scotland could have proven sufficient to have deceived the understanding and watchfulness of the Commissioners and Solicitor of Excise, with their innumerable host of officers; and, what is more, no man can be persuaded that the Distillers could have deceived an intelligent Ministry, and the British Senate, in such a way as to make them believe that they were receiving little or no revenue at that time, if in fact the duties had been properly levied, and a large revenue brought into the treasury. But the truth is, that what Mr Bonar calls the address of the Distilleries, was the voice of the community at large, lifted up against oppression, and oppressors; against that system, and the conductors of it, which had brought such a distress and desolation upon the country, as was unexampled in former times, and which it is hoped the country will not be again condemned to suffer.

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\* P. 215.

† See Millar's Evidence, &amp;c.

I must take the liberty here to bring into review, a circumstance which will appear very unaccountable, and which, it is hoped, was inadvertently brought forward in the Report of the Commissioners of Excise, produced in the Committee by Mr Bonar, and by him reasoned upon in support of the system of that survey. In that Report he endeavoured to shew, that in the years 1784 and 1785 the revenue in Scotland had been raised considerably, and promised, under the checks then put in practice, still farther to increase. Upon this occasion he industriously kept out of view, what revenue the Scotch Distilleries had in fact produced *for spirits consumed in Scotland*, making no distinction betwixt these spirits and the spirits of Scotch manufacture sent to the English market; where, as it appears in truth, from just statements, that almost the whole of the spirits which were manufactured in the years 1784 and 1785 in Scotland, and there paid duty, had been sent to the English market; and that nearly every gallon consumed in Scotland was manufactured without paying any duty at all, having been entirely smuggled; so that if the consumption was then equal to what it is supposed to be at present, the quantity smuggled in these two years would appear to have been upwards of 7,000,000 of gallons, which, at 2s. per gallon duty, would have amounted to L. 700,000. And it deserves particular notice, that all this happened at the period when, according to the Commissioners of Excise, and Mr Bonar's accounts, the survey-system was at its highest perfection,



tion, and promised to be most efficient. Mistakes in opinion may be easily forgiven, and wise men may be misinformed as to facts ; but mistakes in official statements said to be taken from records, when these take place, it must give a strong suspicion, that the purpose for which the mistatements have been made, can not be served by truth and candour : But now that the matter is brought to light, there is no man who allows it a moment's attention, but must be decidedly of opinion, that as the law stood in the years 1875 and 1786, before the survey was abolished, though strengthened with all its checks, and notwithstanding the multiplicity of watchers and officers employed, the system in fact was accompanied with more disgraceful frauds than can be any where found in the annals of finance ; and yet this is the very system which the Gentlemen of the Excise wish to have re-established, for no other reason but because they say it still subsists in England.

BUT why, with such evidence of fraud before them, are they not rather jealous of the rectitude of the English practice ? or why will they not confess, what is so obvious to every person of observation, that there subsists the most essential distinction in the circumstances of the two countries ? May it not justly be supposed, that the English Distilleries being in few hands, the Distillers have found it very practicable, and for their interest, to resolve to pay the duties honestly, and thereby come fairly together into the market, which they can thus command ?

And



And is not this spirit of concord easily discernible in all their operations,—a concord which never has, and never can take place amongst the hundreds who compose the body of Distillers in Scotland, scattered as they are over the whole country? And might it not farther have been observed by the Gentlemen of the Excise, that in England the Distilleries are large, and mostly collected in one place, and that therefore they can be more easily and successfully surveyed, than is possible in Scotland, where they are so differently situated.

THIS last circumstance struck Mr Payne, a very eminent Distiller in London, and he for that reason advises the adoption of the Licence-system for Scotland \*, as the best way to secure the revenue.

BUT I proceed to observe, that the patrons of the Survey-system recommend it, because it most effectually equalizes the duty upon the different manufacturers. The real interests of the manufacturers merit much attention, and ought certainly to be strictly guarded; and there is not a doubt, but it would be their interest to pay the duty faithfully; and if the Survey-system could accomplish this object, it would be very desirable; and in so far it offers fair for it, as the duty is imposed upon the gallon of spirits of equal strength, produced by the Distiller individually; but it unfortunately happens, that all this is contradicted by uniform experience,—  
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\* P. 327.

for this system was found, and declared by the traders themselves, to have been the occasion of the most grievous and ruinous inequality ; it was this very inequality which was the foundation of complaint, and in some measure the occasion of the overthrow of the System in the year 1786. See Mr Newton's evidence\*. See also Mr Millar's †, where he has said, " Those Distillers who had favourable officers did well, and " those who had the reverse were made bankrupts." Read especially in the page of common sense, and see if ever a system of universal smuggling and fraud can prove an equalizing system, according as a Distiller is possessed of ingenuity and address, according as he shall meet with rigid or facile officers, according to the particular circumstances and situation of the works, according as his adventurers shall prove fortunate, or otherwise, so must the rate of duty have varied. Upon the whole, therefore, I am perfectly certain, that there can no difference subsist amongst the Distillers as to their duties for three months, on account of the rapidity with which they may discharge their Stills, which can occasion an inequality nearly similar to what must be produced by a smuggling-trade, which is the necessary effect of the Survey-system.

THE idea of equalizing the duties by survey proceeds upon the supposition, that Distillers shall not be disposed to smuggle, and that officers of Excise cannot be tempted to collusion ; but there is not a truth more strongly authenticated in the evidence, than

than the direct opposite to both these ideas ; inso-  
much that it comes home with strong conviction to  
my mind, that the Distillers have hitherto been of  
opinion, that to smuggle was a crime only *foro ju-*  
*dice*, because, *if it is discovered, it subjects to heavy*  
*penalties*, but *foro conscientiæ*, discovered it or not,  
they seem to have considered it as no crime at all ;  
and in this they are supported even by public opinion ;  
for I hardly ever knew the esteem of the world for-  
feited on account of the commission of frauds a-  
gainst the revenue. This was strongly verified be-  
fore the Committee, where Gentlemen Distillers,  
(who I dare say could not have been induced to tell  
a falsehood, or defraud a dealer), without a blush  
detailed the whole process of their smuggling trade.  
The officers of Excise seem to have perfectly under-  
stood the same casuistry, and applied it effectually  
to their own situation ; for with them also it would  
appear that guilt consisted only in detection ; and  
they have ever found, that the good-natured officer  
was most generally respected, beloved, and rewarded.  
The Report is full of this matter, as may be seen  
by consulting Mess. Wilson, Newton, Millar, &c. ;  
by whom it is expressly ascertained, that scarcely  
one-sixth part of the spirits manufactured under the  
survey upon the wash, accompanied with hydrome-  
ters, checks, &c. ever paid any duty ; and that the  
officers allowed themselves to be *made easy*, even  
when they attended in numbers, and continued  
their watch by night and day ; for there never was  
found much difficulty to accomodate matters where

the interest of parties did so exactly correspond. In the name of virtue, then, and common sense, let any man say, if this is the system which is to *equalize the trade*. It is a singular circumstance, and truly worthy of remark, that the anxiety expressed for equalizing the duties, and guarding the prosperity of the trade, by restoring the survey, is wholly confined to the Gentlemen of the Excise, and what is yet more surprising, we find their attempts to that purpose are in direct opposition to the general opinion of the Distillers themselves, who certainly should be supposed to know their own interests best, for these Gentlemen are unanimous in declaring, that if Survey shall be restored, the trade would be so injured, that the ruin of the fair trader would be unavoidable. Why then was not the matter left to their own decision? for excepting the Highlander, whose frauds would then be, as they even have been, without controul, there is not a discordant voice upon the subject.

It is farther said, That when under survey the Distiller shall not be hurried in his operations; and will therefore have it in his power to manufacture a better and more wholesome spirit, greatly to the advantage and safety of the consumer. Upon this the Commissioners of Excise are very express, when they say\*, that since the abolishing the Survey-plan it was to be expected, and has *accordingly happened*, that on account of the rapidity with which



which the Distillation has been carried on under the Licence-system, that the country has been filled with immense quantities of *unwholesome and noxious spirits*. Were this true, it would with every reasonable man decide the business; but before such asseverations are brought forward, especially by a body of men so well entitled to attention and respect, great care should be taken that information may be authentic, and no fact be misrepresented. Now, it cannot have escaped remark, that the Commissioners themselves, in their answers to the second set of questions, expressly contradict their former affirmations \*. They say, " That as the best judges are at variance in this point, it is difficult to determine which is right, unless it be concluded from this great diversity of opinion, that mere rapidity of distillation, if it affects the wholesomeness of spirits at all, does not so in any great degree, otherwise the fact would by this time have been completely ascertained." It is to be wished they had also taken proper advice before they had said, that " an intense heat must necessarily tend to occasion a noxious mixture of verdigrease with the spirits," when it is believed *the effect is directly otherwise*. But whatever may be the opinion of the Honourable Board, or the Gentlemen with whom they may have consulted, the fact is ascertained before the Committee; every spirit-dealer, every person interrogated to that point, has declared,

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that

\* P. 197.

that the spirits are very much improved since the abolition of the Survey.

Mr Abram Newton, and more especially Mr Alexander Millar, has given the reason clearly why this change has taken place, by describing the plans to which they were compelled to have recourse in avoiding the duties, in order to keep equal with their neighbours in the market \*. “ We were often “ obliged to hurry the wash from the wash-tun, “ without giving time to extract the nutritive parts “ of the grain; and often to hurry the worts from “ the coolers to the wash-backs, before being properly cooled and fit for fermenting; and often “ from the wash-backs to the Stills, without being “ properly fermented,” &c. Now, it has been, from various chemical and other evidence, proved, and every person versant in the business knows, that the goodness of the spirits depends more upon these operations, than the single operation of Distillation. Nothing, therefore, surely can be more obvious, than that *the Survey-system is unfavourable to the production of good and wholesome spirits.*

BUT, lastly, it has been argued, that the full extent of the duty would be produced by Survey more certainly than by any other method.

ALL that I shall answer to this is, That you must  
first

first persuade every Distiller not to smuggle, and every officer of Excise to become incorruptibly honest, and in that case the duties certainly will be paid to their full amount, *but never otherwise*. But I would be glad to be informed what discovery has been lately made respecting the reformation of Distillers and Excise-officers; for, before we can allow ourselves to speculate upon the certainty of their acting a part so fair and legal, I apprehend it would be prudent to wait until the reformation is ascertained, and not hastily revert to a system which inspires so little confidence in its powers to make the revenue efficient: for, it always was my opinion, and it was also the general opinion of every one, excepting the officers of Excise, *that the increase of duties would increase the temptation to fraud, and powers of seduction*; inasmuch, that seals, and locks, and hydrometers, and officers, and all, would be in vain, and the multiplying of checks would only increase ingenuity and multiply deceit.

WE find even Mess. Maitland and Leven, very respectable Excise-officers, though it appears inconsistent with their former declarations, in answer to a question put to them by the Treasury, thus decidedly express themselves: "We are of opinion, that under the Distillery-laws at present in force in England, it is not practicable to secure a duty on spirits in Scotland, by charging the same on the gauge of the wash\*;" and yet

\* P. 344.

yet this was the very situation of the law in July 1786, which was considered so perfect by the Excise. It is true, these gentlemen propose amendments, and so has every gentleman connected with the Excise proposed, by additional checks to rectify the system; full of speculation, they have all set afloat a multiplicity of plans for reformation and amendment, and each of these is recommended by its author as infallible.

BUT we must not suffer ourselves to be deluded, we cannot have forgot their exultation and their promises, when their hydrometers, their locks, their seals, their watches, &c. were first appointed; and we need not now be informed, that they have been all employed in vain, and all they now propose is upon the same fallacious principle, *That Survey, with certain checks, may be made effectual to prevent fraud*; though they now offer a number of checks, which they say will answer the purpose; and recommend that the Survey shall commence on the materials of the manufacture, before it shall be subjected to any process by the Distiller. Still it would be only a *Survey*, and be found inefficient; Mr Bonar's long process of survey, and checks innumerable, would only render the manufacture a burden to the Distillers, an additional expence to Government hardly calculable, and so extremely intricate, that the opportunities of fraud would be exceedingly increased.

It



It never was pretended by Mr Bonar, or any person, that frauds could be carried on to any considerable extent, even under any law, without the collusion of the surveying and watching officers; and that such collusion was formerly obtained, is now without a doubt. Now, it is equally certain, that ten thousand checks cannot prevent the Distillers and Excise-officers from entering into an improper understanding with each other; a number of checks may make their bargain dearer to the manufacturer, and a number of officers may occasion that more address and money may become necessary; but I repeat what I said before, that till you persuade Distillers of the crime of evading duties, and Excise-officers of the sin of being *good natured*, every species of Survey, as it ever has been, so it ever will be an occasion of fraud against the revenue.

It is thus obvious, that the principle of the Survey-system is in itself so defective, that it never, without absolute necessity, ought to be resorted to; and as to Mr Bonar's plan, in particular, it is so chimerical, that it would be found impracticable even upon the first trial; for a Distiller of the least ingenuity could so confound the progress even of an experienced surveyor, that his accounts would be involved in innumerable contradictions; for the law would necessarily be so complex, that it would prove almost unintelligible, and impossible in the issue to give it effect. Besides this, upon the very first view  
of

of the plan, it must be seen, that such numbers of additional officers would be required, so greatly beyond what was found necessary at any former period, that the expence of collecting the revenue would become very enormous.

BUT after all the parade with which Mr Bonar has introduced his plan to our attention, it is worthy of particular remark, that he himself seems perfectly aware of its insufficiency ; for he takes an opportunity \* to add two circumstances, which he says are of the last importance to the perfection of his system. The first is, that the officers of Excise shall have their salaries so greatly increased as to make them independent of the traders. The plain language of which is, that to secure their honesty, in order to attain your object, you must bribe higher than the Distillers shall find themselves either able or disposed to do. Here he disclaims all confidence in the integrity of the officers ; and from past experience it would appear, that in this, at least, he is well-founded. But though I am yet to learn what salary he thinks could prove effectual to secure the faithfulness of the officers, I can easily demonstrate, from his own statements, what is the power of a Distiller to give as a premium for the purposes of corruption. Mr Bonar, in his calculations, allows 3s. per gallon, to be the duty which ought to be levied from spirits manufactured in Scotland. By Mr  
White's

White's calculation \*, Stills of 253 gallons contents can manufacture 2700 gallons of spirits in twenty-four hours ; the duty of which, at 3s. per gallon, would be L. 450 per day. Suppose, then, the Distiller was disposed chearfully to pay L. 200 of this to Government, and to retain L. 100 to himself, he would have in his hands L. 105, to be employed as *composition-money*, as exigencies might require, which, at 300 days working, would amount to L. 31,500 annually. Mr Bonar is now required to say what salary he would propose to give, to preserve the honesty of his officer, which might be sufficient to balance the influence of this sum, which might thus be employed in corruption. This view of the subject points out a reason for the inefficacy of the Survey-system, so strong, that is truly unanswerable ; for upon the calculation of the average-honesty of mankind, even the half of L. 30,000 annually, is a weight too heavy to be laid in the scale, against the general integrity of any ten or twelve men, *even if those men should be officers of the Excise* ; and I am afraid it would be found more safe to relinquish the system, than insure the integrity, where the inducement to deviation may be applied so powerfully.

MR BONAR adds a second reforming check, which he considers as necessary to secure the success of his plan ; and that is, an absolute reformation amongst the Justices of the Peace, and the enactment of compulsory laws, by which this reformation may be made ef-

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fectual.

fectual. As I entertain no doubt but Mr Bonar will be able to convince these Gentlemen, that their conduct needs amendment, I will leave them entirely in his hands.

I SHOULD now proceed to review the several other schemes which have been proposed to render the System of Survey effectual; but as they have all proceeded upon the same principle, (and I have already shewn that that principle is wrong, and that any attempt to rectify its defects would only make what is in itself bad, become still worse), I will take no farther notice of any propositions which have been made with that view; but shall proceed to consider the second System proposed for securing the duties from spirits distilled in Scotland.

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## PART V.

### THE SYSTEM OF LICENCE.

THIS System is denominated, The Licence-System. because under it the duty is charged at a certain rate, according to the contents of the Stills employed in the manufacture, and an annual licence is granted to the Distiller (upon his finding security for the duties) to use these Stills, and from them manufacture spirits



spirits without limitation, with power to fend them out under the protection of his own certificates. This plan has continued at various duties since the year 1786, and has met with the approbation of persons of every description in Scotland, excepting the Highland Distillers, and the Commissioners and officers of Excise. The merits and demerits of this plan come now to fall under our review, according to the evidence taken before the Committee.

THE friends of this System say,

•THAT by it the most certain and the greatest extent of revenue would be obtained.

THAT the revenue would be brought into the Treasury at little or no expence.

THAT under it, spirits of the best quality would be manufactured.

THAT it has been productive of good order, and is the best security against immoralities.

THAT it has been found very advantageous to the general agriculture of the country.

THOSE, on the other hand, who disapprove this System say,

THAT the revenue may be defrauded by the rapidity with which Distillers run their Stills.

THAT it may render the duty unequal amongst the traders.

THAT it may give opportunity to frauds, by traders permitting their own spirits.

THAT it admits of no Survey of grain, &c.

THAT it obliges the Distiller to pay the tax per advance.

THAT it is against the natural ideas of Excise-regulations.

I HOPE it will be granted by all parties, that I have stated the question on both sides with sufficient candour. As to the objections to the System, I have taken them almost literally from Mr Bonar's statement \*.

It has been observed in behalf of the Licence-system, That it would be productive of the greatest and most certain revenue, which would be collected at little or no expence. Now, this is allowed a truth by every person who has given his opinion upon the subject. The words of the Commissioners of Excise † are precisely to the point: " It cannot be  
" denied,

\* P. 188.

† P. 216.

“ denied, that by the mode of licence the duty is  
 “ most easily levied, and that at the least expence  
 “ in proportion to its amount; that frauds can be  
 “ met and obviated with the greatest certainty and  
 “ facility by the legislature; and above all, the le-  
 “ vying the duty by the mode of licence, affords the  
 “ *only* effectual security against all attempts on the  
 “ part of the Distillers to corrupt the officers of Ex-  
 “ cise, as it renders the collusion of the inferior of-  
 “ ficers almost impracticable.” Mr Bonar also says\*,  
 “ There is no manner of doubt, that under the Li-  
 “ cence-system fewer officers are required to charge  
 “ and collect the duty, and that less expence is  
 “ incurred, and also that fewer frauds and evasions  
 “ are practised by Distillers.” In all this, Mr Mait-  
 land and Mr Leven have concurred; and it is asto-  
 nishing how they all can have deliberately resolved to  
 reject a system which they are thus, *though reluctantly*,  
 obliged to confess answers completely every pur-  
 pose of Excise-regulations; for I apprehend that Ex-  
 cise-regulations ought to have no other object than  
 effectually to secure the duties to Government, and  
 that with the least possible distress to the subject.

It is indeed justly observed, that as an absolute  
 certainty cannot be obtained of the precise quan-  
 tity which may be distilled from a Still of a certain  
 capacity, in a given time, it will be difficult to  
 affix the duty which should be paid upon the  
 gallon

gallon of its contents; and it has been alledged, that the Distillers. were guilty of much deception at the commencement of the system, when they persuaded the Legislature that L. 1, 10s. imposed upon the gallon of the contents of the Stills, was fully adequate to the duty at that time intended to be levied upon the gallon of spirits. I have no doubt but the Distillers, upon every occasion, did every thing they apprehended might be conducive to their interest, and that they would be disposed upon the present occasion to do the same; but by the investigation before the Committee, by the experiments made by Mr Corbet, and the very particular information which has certainly been procured since last session, this matter must by this time have been brought nearly to a certainty. But at any rate the Committee have had access with considerable accuracy to ascertain the extent of duty which the population, consumption, and circumstances of the people of Scotland, can afford to pay for spirits. If, therefore, the general Licence-duty shall come up to that estimate, and the prices in the country also accord to it, in that case there can be little doubt but the duties have been justly imposed, and fully paid. And farther, if the Licence-duty shall at any time exceed the calculation for one year, and prices keep equal, there will be good reason to fear a diminution of duty the year following, but upon the whole the revenue will be no sufferer; but if the Licence-duty shall fall beneath the calculation, and prices also fall, Government may be decided in judging,



judging, that the duties have been charged too low upon the gallon of the Stills, and they may be regulated afterwards accordingly. If, finally, too high duties shall be imposed, so as to encourage the smuggler, and chase the legal Distiller from the market, (who, upon finding neither price nor consumption, must cease to work), in that case, to obtain a revenue, it will be found necessary that the duties shall be diminished. But at all times Government may be assured, that the duties contracted for by Distillers will be fully and regularly paid, and that without risk and without expence, as the officers necessary for the Breweries, will be sufficient for the superintendance of the Distilleries ; so that, according to this plan, the Treasury would receive a much larger annual sum than would be produced by any other ; and needs be no matter of alarm, though the Distilleries should in one year manufacture what would suffice for the consumption of two ; for, to effect this purpose, their entries and their duties must have been double ; and, at any rate, they are now sufficiently informed, that the stock on hand is ever at the disposal of Parliament.

THIS difficulty being obviated, there does not remain an objection which can be devised against the system, in regard to the extent or security of the revenues which would be produced by it ; and it is apprehended, that to that object alone, all regulations of Excise ought to be directed. Every other consideration

deration is of a private nature, and certainly lies entirely without the line of the great object in which the Gentlemen of the Excise are concerned. To all such objections one general answer might have sufficed; and that is, That the parties concerned were from experience fully satisfied with the system as it stood before, as it had, in their opinion, proved highly beneficial to them all. The Gentlemen who have been examined upon the subject, have all concurred in declaring, that the business of Distillation has been carried on in all its operations, since the establishment of the Licence-system, with greater regularity than formerly; that the spirits manufactured have been of superior quality; servants have been more under controul; smuggling has been less frequent; immoral excess much diminished; the market for grain has been better and more steady; no failures have taken place amongst Distillers and Corn-merchants of any consequence; the farmers have been more successful, and the agricultural improvements of the country have been more general and extensive; and, in short, that a feeling of certain advantage has given such a settled confidence in the system, that the supposition of the possibility of a change has occasioned a general alarm\*.

NOTWITHSTANDING, therefore, the earnestness with which the Gentlemen of the Excise have  
thought

\* See Mr Newton, &c. &c. Mr M'Lagan, p. 311. Mr Millar.

thought proper to oppose themselves, it cannot possibly be supposed, that this system shall be renounced, which hath met with such general approbation, been the occasion of such general prosperity, which secures so large a revenue, which admits of so simple and economical arrangements, and is a complete security of what cannot possibly be secured by any other plan, as it gives a perfect security against fraud in the Distiller, and unfaithfulness in the officers of Excise.

It appears, indeed, from the evidence, that some abuse has been made of the certificates granted by the Distillers when sending out their spirits; and though this abuse cannot hereafter be very great, if the Highland lines and immunities shall be abolished, yet I think it not impossible, that spirits from unentered Distilleries may be covered with such permits. And I think it equally possible, that officers of Excise may sometimes find themselves induced to give a safe conduct to smuggled spirits, as it has appeared in evidence, that some of them have been even partners in the smuggling-trade\*.

To prevent, therefore, the possibility of fraud, it would not, in my opinion, be improper, that both the Distiller and the Excise-officer should be obliged to send forth permits with spirits, and that the want of either of them, should subject the goods to seizure; the one would become an effectual

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\* See Millar, p. 144.

check upon the other, and Government would thereby be possessed of authentic information of the full extent of the manufacture in general, and also of what could be manufactured by every individual Distiller, in proportion to the entry he has made, and the duty he has paid, by which means every after regulation might be established with precision.

THERE are only two objections to the Licence-system, which remain to be considered, which have been stated by the Gentlemen of the Excise, and *by no other person.*

THE *first* is, That as the duties upon this plan have been paid per advance, if they shall be laid very high, it would put it beyond the power of Distillers possessed of small capitals to continue in the trade. Supposing, for example, the duties should be raised to L.150 per gallon, it would require a security of L.6000 for a Still of 40 gallons, and an actual advance of L.1000 before the distillation could commence, and nearly L.2000 more before cash could be produced from the manufacture itself. This objection surely comes with great weight, and the Distillers are much indebted to those Gentlemen for the attention they have paid in this instance to their interest; but it weighs not at all against the system itself; for nothing can be more easy for Government, than, in framing the new law, to make the duties payable in the same way as they are paid from the Breweries, &c. A measure



ture which could not fail to meet with the full approbation of all the Distillers in Scotland, and would effectually remove the objection.

THE *second* objection states, That upon this system there would necessarily be formed an inequality in the duty which should be paid by the different manufacturers upon the gallon of spirits distilled, though the duty upon the gallon of the contents of the Stills should be the same, as the difference in rapidity with which they shall charge and discharge their Stills, would make an alteration in the quantity produced in a given time. The remark is obvious; but the objection is nothing. For though, by means of an improved construction of Stills, the first inventor may for a while obtain some advantage over the rest, not only in point of duty, but in a variety of other respects; yet from the peculiar circumstances in which the Distilleries are carried on, it happens to them more readily than in any other manufacture, that every improvement must soon become generally known, and thereby every Distiller shall have it in his power immediately to adopt the improvement in his works. Nothing can be concealed from the great number of servants employed *within the Distilleries*; and the coppersmiths, plumbers, coopers, masons, and bricklayers, who are not confined to the Distilleries, and are independent of the Distillers, these will all be found ready to work for every person who may chuse to employ them, and to give every information in their power respecting

the improvements in their own particular branch of the business; so that in these respects there can be nothing long kept secret; no concealment needed be attempted. And from these circumstances, it is obvious, that the Distiller himself alone will be in fault, if he shall work for any length of time, under any disadvantage as to the form or construction of his Stills or other apparatus. Agreeable to this, it is declared in proof, that the improved or flat construction of Stills was becoming general, and had already extended to the intermediate districts \*. Mr Leven says, (p. 243.) “ It consists  
 “ with my knowledge that Distillers in the interme-  
 “ diate districts have in general got their works  
 “ erected upon the same plan as the Low-country  
 “ Distillers.” It appears to have arisen from a consciousness of this, that we have not found any of the Distillers themselves complaining of this inequality. Indeed any manufacturer would be ashamed to plead for indulgence on account of his ignorance or sloth; much more would it be reckoned unworthy of an enlightened Legislature to set aside a system, founded on good sense, supported by experience, and pregnant with most essential benefits to all concerned, on account of any peevish objection brought forward by the Gentlemen of the Excise, who in fact have no concern in the matter, unless they are concerned to prevent the establishment of arrangements which would make fraud impossible, and under which seizures, fines, forfeitures, and above all compositions, could have no place \*.

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\* See Mr M'Lagan, p. 312.

THE matter having been thus settled upon just and obvious principles, supported by the evidence *best deserving of credit*, we might be saved the labour of attending to those ingenious plans, which have been proposed for accomplishing this equality amongst the manufacturers.

BUT I must here take the liberty to say, that the whole of them appear to me only as attempts to introduce pernicious interested speculations, into a system founded on truth and experience, whose high commendation rests upon the certainty and simplicity of its operations. The general idea which may be seen pervading every one of these plans has been, That it would be necessary to fix one standard of Stills as to contents, &c. in order to equalize the duties amongst the traders; and in general they seem to think it necessary to adopt a mixture of the Survey with the Licence-system, as may be seen by consulting Mess. Leven, Maitland, Hyslop, &c. \*.

Now, in my apprehension, the leading principles in those proposed amendments are absurd, and in some measure ridiculous. To fix by standard the implements or utensils by which any manufacture shall be carried on, would certainly be to deprive ourselves of the advantage of the experience of former times, and also to deprive our posterity of all

\* P. 225. 238. 132.

all advantages which might be derived by them from their new acquisition in knowledge and industry. What would now be our state as to religion and science, if we had been bound down to receive the gloomy and unintelligible systems, so zealously adopted by our forefathers 200 years ago? Miserable would the present state of our agriculture be, if we had been prohibited by law from improving the implements of husbandry? Of how little value would our manufactures be now, if the machinery and looms of the manufacturers had twenty years ago been legally barred from all improvement? It would, in fact, be a disgrace to Legislation to enact a law for such a purpose, under any pretence whatever; and much more so in the present instance, where recent improvements have been made, which (though they may have been the object of envy to some) must have been the subject of admiration to all, and give a merit to the inventors with every intelligent mind\*. But the truth is, all such enactments are unnecessary for the purpose of equalizing the duties amongst the Distillers themselves; for that natural rivalry which prevails betwixt persons of one craft, that avidity with which men pursue their own interests, that restlessness which a man feels when he thinks himself excelled in his own line, all must quickly and effectually conspire to level every distinction, excepting that which never can be levelled by any act of Parliament, the unchangeable

\* See M'Lagan, p. 314.



able distinction betwixt a man of industry and good sense, and a man who is weak, slovenly, indolent, and a fool. I observed, that every attempt to equalize the duties by way of amending the Licence-system proceeded upon the idea of appointing one form, &c. of Stills, and conjoining this with a system of Survey. But this Survey, though partial, would be found equally laborious, perplexed, and expensive, as that which I have already considered, which has been demonstrated to be prejudicial to the essential interests of all concerned, and almost impracticable.

BUT as a partial conjunction of the Survey and Licence-systems has been held forth as capable of being framed so as to secure the advantages, and avoid the defects of both, I will consider the view which is given of it in the evidence before the Committee, and I hope the following statement will be found to comprehend the arguments on both sides of the question.

PART

## PART VI.

## MIXED SYSTEM.

IN favour of the mixed system, it is argued, that

By the payment of Licence-duty, one part of revenue is secured.

THE temptation to fraud would be much diminished, and therefore the revenue be found more certain.

SURPLUS duties to be ascertained by Survey, would equalize the tax amongst the Distillers.

THE whole trade would be under close Survey, and permits be granted by Excise-officers, which would prevent frauds.

AGAINST the System, it is alledged, on the other hand, that

SMUGGLING would abound, and the deficiency of the revenue would be very great.

THE spirits would be both diminished in quantity and quality.

THE law would become partial and ruinous to the Distillers.

AND that it would be equally expensive as a general Survey.

THERE is not any doubt but this mixed system would possess the first advantage which is mentioned above, of which the Survey-system of itself is not capable ; and that is, that in as far as it accords with the Licence-system, the revenue from Distillation would be certain. But it will not be found possessed of one other recommendation ; for the moment that it proceeds a single step farther, its promises would be found fallacious, and the expectations which may be

be built upon them, would meet with nothing but disappointment. Every additional commendation which has been given it, has been but by way of an apology for its defects; and even that apology itself is ill-founded. We are indeed told, that under this plan, as the quantity of duty to be levied by Survey would only be inconsiderable, the temptation to fraud would be diminished; the powers of corruption in the hands of the Distillers would be lessened, and their influence to persuade the officers of Excise to collusion would therefore be ineffectual. But though, in answer to this, it must be granted, that the temptation to fraud would undoubtedly be lessened; yet if the duty to be levied be worthy of a Survey, if it be able to bear that immense expence in collecting, which would be certainly found necessary, according to every scheme proposed; in that case, the temptation would prove sufficient to persuade the Distiller to smuggle, and the Excise-officer to *sleep*. Had the patrons of this system brought it first forth new from the regions of speculation, they might have decked it with imaginary perfections, and we might have been deluded; but it happens, most fortunately for all concerned, that experience has run before them, and will effectually preserve us from deception. This mixed system has for many years been already established in the Highlands of Scotland, and as far as the duties have been levied by Licence, they have certainly been regularly paid. In that respect, frauds were impracticable; but the surplus duties, which ought to have been ascer-

tained by a regular Survey, have been uniformly and totally evaded, there every disorder of a smuggling-trade has been carried on without controul ; the Distillers have acted without compunction, and the Excise-officers without diligence, or without faith. Seizures, it is true, have been made, when spirits were carrying to an illicit market, and thereby what I suspected has in fact happened. It has been seen, that it was not to realise the duties, but to obtain seizures, forfeitures, and fines, which has been the true object of the attention of the Excise. The temptation to smuggle in the Highland districts was very limited indeed, and the hazard of detection very considerable ; yet they did smuggle, and that perpetually. The powers of corruption possessed by the Highland Distillers, by which they could seduce the officers of Excise, were also very limited ; and yet it is very certain the Survey was very carelessly performed, if not intentionally neglected. Now, it appears to me a most extraordinary circumstance, that, after having considered the luminous, the uncontrovertable evidence already before the Committee, respecting the Highland Distilleries, that the mixture of systems should ever have been thought worthy of a moment's consideration, but much more that it could be thought worth while to put that system to experiment in the Low-country. In the Highlands the Distiller had to encounter all the difficulties which did arise from being subjected by law to a regular Survey. But he had one difficulty more hazardous than the whole, and that was, That as he could find no mar-



ket within his own district, he was under the necessity of sending his spirits to a great distance, which, being done without permit, subjected them to seizure at every step ; it was here he found his greatest, I may say his only danger. But no such difficulty can occur in the Low-country ; for there the Distillers would find their market around them, and every dealer and retailer, I may say every consumer, would lend their helping hands to relieve them of their smuggled spirits. Smuggling would universally prevail, and the Licence-duty would nearly be the only duty which would be realised. I know not, feeling I have confined my observations to facts already authenticated before the Committee, if I am entitled to take subsequent facts under review ; but were I permitted, I could give a detail of frauds committed since last Session of Parliament, which would equal the history of any former period, whereby it would be seen, that in every instance when Survey became necessary, the revenue was then defrauded ; for, from the mill, where the grain is prepared for the mash-tun, to the spirit-well, when the spirits are received from the Still, it has been but in few instances, and in few Distilleries, where one fair statement has been made. But the truth is, it is the system which is wrong, radically wrong, in principle ; and it is therefore no way surprising to find the fruits of it invariably corrupt. It may be laid down as a maxim in legislation, That nothing which can be fixed ought to be left to accident, nothing by law ought

to be referred to the supposition of human integrity, especially where interest is concerned, if any other method could be devised by which the object might be attained. Now, it must be observed, that under every system where Survey, whether universal or mixed, prevails, every thing is left loosely depending upon the will of the persons concerned, for if Distillers and Excise-officers from the expectation of illicit profit can accommodate their minds to the danger of detection, every obligation to pay the duty will be disregarded, and the law will be no restraint.

It is, upon the whole, therefore obvious, that in as far as the system of ascertaining and levying the duties by Survey shall be adopted, or mingled with the Licence-plan, in so far would the revenue become at least uncertain. But besides this, by every proposal which has been offered for an arrangement of that mixed system, an increased multiplicity of checks would be indispensably necessary, and the number of officers which would be required to execute the system must be so increased, that the expence would become enormous; insomuch, that this one consideration, if there were no other, ought to reprobate the whole. The following question was put to Mr Johnston by the Committee \*: Supposing there were 380 Distilleries in the intermediate and Northern districts, how many officers of Excise would be necessary to collect the revenue in the Highlands, by Survey? And his answer was,

I would not wish to be one of six in each Distillery, I think it would be very hard duty.

ACCORDING to this statement, it would appear, that in the Highlands alone, 2280 officers, at least, would be necessary ; which, at L. 60 salary each, would amount to the enormous sum of L. 136,800 annually. The sum is undoubtedly greatly exaggerated, but the idea is plain, that from his experience he was convinced, that no number of officers would prove sufficient to effectuate the purpose ; and that in the present state of the country, the duties could not be made effectual by Survey. See also Mr M'Lagan's evidence.

To this it might be added, that if the strong solicitations of the Board of Excise, and of all the officers of the revenue who were examined upon the subject, should succeed in behalf of the inferior officers, and their salaries should be raised so high as to *secure their faithfulness*, I profess myself incapable of calculating to what extent the expence of collecting the Distillery-revenue would be increased.

I MUST be further allowed to take notice, that the specious purposes for which the Survey is proposed to be added to the Licence-system, would be entirely defeated by the plan itself. It is pretended, that it would equalize the duty amongst the traders more perfectly than can be done by a Licence-duty upon the Stills. Upon this I shall only  
shortly



shortly remark, That, in as far as it is proposed that the duties should be collected by Licence, the inequality would continue as formerly ; and in as far as Survey should be adopted, it would make the matter infinitely worse. We have seen that much fraud has, and will be practised under that system. Now, it is impossible that any thing can be equalized under a smuggling-trade, whilst one Distiller excels another in ingenuity, or is inferior to another in point of honesty ; and whilst one Excise-officer is either more good natured or more corrupt than his brother, there never will be found any equality in the duties which will be paid upon the gallon of spirits actually distilled in the different Distilleries ; and nothing surely can be felt more disgusting or oppressive to any honest manufacturer, than when he has to combat against the tricks of knavery ; and miserable is that business whose success must depend, not upon the vigorous exertion of open and ingenious industry, but upon the debasing artifices of cunning, secrecy, and fraud. It was this oppressive inequality which, in the year 1786, raised its voice from every corner of Scotland. It was the ruin unavoidable by this system of inequality and fraud, which reached the Treasury, which reached the Parliament of Great Britain, which was heard with compassion, and found relief by the wise appointment of the Licence-system ; and under the shadow of this, ever since that period, the revenue, the Distiller, the dealer, the corn-factor, the husbandman, the landholder himself, has enjoyed quietness

and



and prosperity. And it has never been heard, that the Distiller complained of the increase of duties which have been imposed upon him, as his knowledge and ingenuity increased; for, according to his prosperity, he has always come chearfully forward in aid of the necessities of the State. But he now feels exceedingly alarmed, and the whole country of Scotland is alarmed, when threatened with the restoration of a set of laws, under which neither the revenue, nor the Distiller, nor the farmer, nor any honest trader can prosper, where nothing can prosper but smuggling, fraud, and Excise-officers. See Wilson, Duff, Millar, and M'Lagan.

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## PART VII.

### UNMALTED GRAIN.

It is necessary, now, that the reader should give his attention to what is found in the evidence concerning what has been denominated Raw or Unmalted Grain, which is made use of in the Distilleries of Scotland, at present subjected to duty, concerning which the following particulars will be found fairly stated in various parts of the Report.

1<sup>st</sup>, THAT a certain quantity of unmalted grain is sometimes mixed with malt in various proportions, and manufactured into spirits, *in Scotland*.

2<sup>dly</sup>,

2dly, THAT the unmalted grain yields about 1½, or 2 gallons of proof-spirits per quarter, more than is produced from one quarter of the same grain when malted.

3dly, THAT the spirits produced from the mixture is equally wholesome, though differing a little in flavour from that which is produced from malt alone.

4thly, THAT spirits produced from malt alone sell at sixpence per gallon higher than those which are extracted from a mixture of malted and unmalted grain.

5thly, THAT unmalted grain did pay no duty to Government before August last; but the malted grain paid at the rate of about 5s. per quarter.

6thly, THAT in Scotland a great proportion of barley, even in the most favourable seasons, has been damaged and rendered unfit for malting; and in general a very great proportion is so much injured, as to become unfit for any thing but either to be distilled in an unmalted state, or given to hogs.

7thly, THAT farmers will not be in ability to pay their rents, if they do not find a market in the Distilleries for such damaged barley.

8thly,

8thly, THAT a much greater proportion of unmalted barley has been used in distillation in the English Distilleries, which never paid any duty, than has been distilled in Scotland.

THESE facts being deliberately weighed, they must lead to the following important conclusion :—That it would be impolitical in the extreme, to discourage the consumption of grain of the above description in the Distilleries of Scotland ; because the general agriculture of the country would be thereby materially injured ; for a certain market for such grain is necessary, and would operate in some measure as an insurance to the farmer, against the probability of loss from the inclemency of the climate, and variableness of the seasons, which is necessary to give steadiness and vigour to his agricultural exertions. After this observation, it remains to be considered, if it can be judged expedient in such circumstances to lay a duty upon unmalted grain, intended to be manufactured into spirits in Scotland.

IN favour of the proposition, it is alledged,	IN opposition to the measure, it is asserted, that
THAT it would increase the revenue.	IT would be very injurious to agriculture in Scotland.
It would equalize the duty amongst the manufacturers.	IT would tend but little to the advantage of Government.
AND it would encourage the breweries.	AND it would prove a direct prejudice to the interests of the Breweries.

At first sight it appears a plain proposition, That as a considerable quantity of unmalted grain is made use of in the Distilleries, which paid no duty previous to August last, if that grain shall be now subjected to a duty equal to the malt-tax, the revenue must necessarily be proportionally increased: But the first question which would occur to an intelligent financier upon the subject would naturally be, How this duty was to be obtained from it? for, upon attending to this, he would at once be sensible, that it would be almost impossible to collect it. He could not discover when, nor where, nor how to take hold of it, for it may be mixed with the malt without a possibility of detection; and in a great variety of ways, it may be brought forward in the process without observation. But, besides this, the number of officers which would be requisite to watch, to measure, and to weigh this grain, in all the various steps of its progress to the mash-tun, would so diminish the little revenue which might be produced from it, that though in itself it were a favourable object of taxation, it could by no means be thought worthy of attention; but much more especially must that be the case, when it is so clear that there could not be found an object of taxation throughout all his Majesty's dominions, which would occasion so numerous or great injuries, either to individuals or the public at large; insomuch, that if even an extensive and a permanent revenue could be derived from it,



it, it would be impolitical and unjust in the extreme to apply to this resource.

THE Honourable Committee are not unacquainted with the variable nature of the Scotch climate. They know how frequently and severely, from the lateness of the harvests, and from the prevalence of frosts and rains, the crops are damaged ; but they do not know, *because they have never felt it*, the deep despondency under which the unhappy husbandman contemplates the remnant which he has hardly saved from the inclemency of the season, when he finds that remnant itself unsaleable ; but if a duty shall be imposed upon the unmalted grain, it is not only that which has been damaged, which would lie useless upon his hands, but every quarter of barley of inferior quality, would be to him equally the occasion of distress, for not a handful of it would ever be purchased by the Distiller ; if it must come into his possession subjected to a tax, he would in that case make use only of grain of the best quality, because for such only he could afford to pay the duty. In the mean time, the suffering farmer, the suffering landholder, and the suffering public, had better have paid the unhappy pittance of revenue tenfold, if laid upon any other commodity ; for upon the farmer would the tax be found to lie heaviest, and his loss by it would be almost beyond calculation. Were not these things obvious as the light of day, the impolicy and cruelty of the tax might be demonstrated from a thousand

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circumstances ;

circumstances ; and the truth is, that if there must be duty imposed, it had better be added to the Licence of the Distiller, or even be imposed upon the horses, ploughs, or harrows of the farmer, than be continued upon unmalted grain, which would so effectually deprive him of a market for his barley, and so completely disorder his agricultural arrangements.

I CANNOT possibly conceive from what consideration it has been suggested, that the imposition of this duty might operate so as to encourage the Brewery ; for such an idea could never have occurred to me, if I had not found it reported by the Committee \*, to the House of Commons, and made the ostensible reason for imposing this duty on unmalted grain. Although indeed it had been a fact, that this measure would have given a preference or additional success to the Brewery, it would have been very impolitical to encourage that manufacture, or any other, at the expence of such injury, such injustice to the farmers, and the agriculture of Scotland ; but the effect of this tax would in the issue prove directly subversive of its expressed intention. For as Brewers must malt all the barley they use in their manufacture, and on that account their demand in the market is always confined to grain of the first quality fit for malting ; if the Distillers shall be reduced to the same predicament, they will be the rivals of the Brewers in every corner, and induce a scarcity of grain of that description, which the Brewers must find

and highly prejudicial to their interests. I do not believe, as is alledged in the Report, that the health of the people of Scotland is interested in giving the Breweries a preference to the Distilleries; but though this were a fact decided, yet to compel the Distillers, by such an impolitical imposition, to use only grain of the first quality, to compel them thus to occupy the market of the Brewers, is surely not the way most effectually to encourage their manufacture. But upon this particular I will add nothing farther, being perfectly satisfied that the measure was taken up hastily, and merely as an experiment, and has upon the trial been found so obviously injurious, and at the very best so unproductive, that it will never hereafter become the subject of any new arrangement; so that the anxious fears of the farmers will be set at rest.

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## PART VIII.

### MONOPOLIES.

DURING the course of inquiry before the Committee, it appeared to me as if some alarm had been excited, lest, by the continuance of the Licence-system, the trade should be thrown into a few hands, whose large capitals might occupy the market; and thereby be the occasion of a dangerous monopoly in the corn-trade, by which the prices might be reduced, to the prejudice of the country.



It is indeed a new idea, that of *reducing* the price of grain by a monopoly; but, except in the dreams of Mr Hyslop of Dumfries, that idea was uniformly scouted by the evidence; and I will not abuse the patience of the reader, by dwelling upon the subject, as the Committee seemed to intimate, that all such apprehensions were laid aside. But I must here take notice of one thing, which is material in another point of view; and that is, that it is far from being an evident conclusion, that the Licence-system could tend, more than that of the Survey, to throw the trade into few hands. It is true, the duties being paid, per advance, makes a greater capital necessary, and a manufacturer must have some solid capital, before he could find security to Government for the annual duties; but, if this shall be thought inconvenient, it is certainly no essential part of the Licence-system, and Parliament can as easily direct, that the duties shall be levied two months after the commencement of distillation, as that they shall be paid per advance. But I cannot help thinking, that whether it was intended or not when the law was originally framed, the idea of the Distillers paying duties per advance, and their being necessarily in so respectable a situation, as to find large security to Government, is highly advantageous to the community, by giving the country at large a confidence in them, which must facilitate every movement in the corn-trade, which must prove of essential advantage to every person concerned in the agriculture of the country. Accordingly we find it said by Mr Duncan, that the supposition of the Licence-



cence-system would deprive the Distillers of credit; for, upon that event, the Banks would not discount their bills.

BUT it is further alledged, that the trade is in less danger of a monopoly under the Survey, because the Distiller may distil to what extent, and only at what time he pleases, and therefore may go on with much less capital, and no security. With- here taking notice of the hazard to which the revenue of the duties must be collected from a bankrupt: Even supposing the Distiller should continue a sufficient man, and supposing he had erected his works at a distance from other Distilleries, would not this occasion the necessity of appointing from six to ten officers to carry on the Survey. Now, suppose this man should chuse to intermit his business for two, four, or six months at a time, seeing he may commence at pleasure; during all this time of idleness, must not all these officers be maintained, and kept within that Distiller's call. Let Mr Bonar then say, how this will accord with the genius of the Excise, or with the interests of the revenue.

BUT according to Mr Hyflop's dreams, there did in fact exist a species of monopoly, which appeared to him most formidable, and that was a monopoly in the spirit-trade; and he said, that it not only did exist, but would increase under the Licence-system. If he meant that this plan, duly regulated, would confine the trade to the licenced Distillers, he is certainly in the right; and it has  
been

been found from experience, that since the commencement of present experimental law, which has in some measure put an end to all the advantages of the Licence-system, not only are manifold frauds daily committed by the licenced manufacturer, but that many thousands of unlicenced Stills have been erected, and are now supplying the market with spirits. *This is indeed to prevent monopoly with a witness.* But though I am of opinion, that no exertions of ability or capital shall ever, upon any system, be capable of establishing a monopoly of spirits in Scotland; yet, were it possible, I am not conscious of any alarm on that account. There has been for some time past, a professed anxiety on account of the danger to the health and morals of the people of Scotland, from the cheapness, and consequent excess in the use of spirits: now the very first effect of a monopoly of that article would be, to raise the price as high as possible. By this means, therefore, the great professed object of Government would be most effectually attained; but though I am far from allowing, *because I know it is not true*, that the people of Scotland, of any class, are generally addicted to intemperance; yet I must confess, that the servants immediately employed in the manufacture itself, are exposed to much temptation, and frequently fall into very pernicious habits; and the erection of Distilleries in every corner of Scotland; in this point of view, has certainly been productive of bad effects: to diminish their number, therefore, might be reckoned even a salutary measure. But; at any rate, my mind can suggest no political, no  
moral

moral reasons of apprehension of public or private injury, though the number of Distilleries in Scotland were greatly reduced.

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## PART IX.

### ILLICIT STILLS.

I HAVE more than once been led to take notice of the practice of smuggling from unentered Stills; and I cannot help expressing my surprise, that this became so little an object of attention to the Committee.

It is true, that in the course of their inquiries, they seemed desirous to regulate the duties, so as to enable the legal Distillers to maintain the market against smugglers; but though moderate duties must have a decided influence to that effect, it is absolutely certain, that unless other measures are adopted, (if any duties at all are imposed), illicit distillation will not be prevented. I must farther remark, that notwithstanding the anxiety expressed by the Commissioners of Excise, by Mr Bonar, and the other officers of Excise, to guard against the frauds of the legal Distiller, by checks and locks, and seals, and penalties, not one of them has taken occasion to say a single word, or offer any proposal for preventing distillation from illicit Stills. I must therefore be forgiven, if I again say, that it is not congenial to the Excise to

*prevent*, but to punish transgression. Seizures, fines, forfeitures, &c. are their objects, and therefore the spring from whence they flow is left by them undisturbed, that they may be enriched by the stream. *But this is not right* ; the object deserves attention ; and the evil, if possible, ought to be corrected. Mr M'Lagan, according to the Report \*, is the only person who seems to have paid any attention to the subject ; and there are some things in his statement which merit consideration ; but it is necessary, previously, to take notice of some established facts respecting it, which merit particular attention.

*First*, IT is true, that such a smuggling-trade from unlicenced Stills has subsisted under every former system.

*2dly*, THAT it never has been effectually checked, but during the prohibition of distillation, when peremptory orders from the Treasury, together with the apprehension of a general famine, induced the officers of Excise, and legal Magistrates, to do their duty.

*3dly*, THAT the practice prevails at present, and hundreds of smuggling Stills are now at work, not in the Highlands only, but in the Low-country.

*4thly*, THAT the Excise-officers, whose activity is most effectually exerted when duty and interest are combined, have made few seizures since the

law



law deprived them of premiums upon the seizure of any illegal Still.

*5thly*, THAT the Justices of the Peace have been in the custom of modifying the fines to 5s. and under, when smugglers were prosecuted before their Courts; and that, since last meeting of Parliament, they have continued the same practice.

*6thly*, THAT the person prosecuted is, for common, only the nominal or ostensible Distiller, who is possessed of no property, and can pay no penalties.

It is by the knowledge of these facts, that the Legislature must be guided in taking measures, not so much to punish, as to put a stop to these pernicious practices, without which no licenced trader can prosper, and little or no revenue can be obtained. And it is obvious to remark, that it would be much more wise, if possible, to prevent the erection of illicit Stills, than to detect them when erected, or punish the smuggling Distillers. To this point, therefore, ought every regulation to be directed; and to effect that purpose, I would with much diffidence propose,

*1st*, THAT the Justices of the Peace shall have no power given them to modify the fines imposed upon delinquents, and that no officer in the Excise shall be permitted, under any pretence whatever, to make any composition for the purpose of prevent-

ing a prosecution for fraud, or squashing such prosecution after it has been commenced. No feelings of compassion ought to influence the Judges in their determinations, and no ideas of expediency, or *expectations of emolument*, ought to affect the faithfulness of the public prosecutors. The reason of such enactments is plainly to be seen in the Report; for it is there evident, that illegal Distillers have not been encouraged to carry on their trade, so much from a hope of escaping detection, as from a certainty that the Justices of the Peace would *modify their fines to a trifle*, when detected; and I have known them commence distillation the very day subsequent to that upon which they have been condemned, and fined by the Justice-Courts.

2dly, It ought to be enacted, That, upon discovery, all materials, utensils, &c. employed in carrying on the trade, should be forfeited, and also a penalty should be imposed upon the illegal Distiller, sufficient to deter him from such illicit practices.—But because these Distilleries are frequently carried on under fictitious names, or by persons who are incapable of paying the penalties,

I WOULD propose, that the farmer or tacksmen upon whose farm illicit Distilleries shall be discovered, shall be made liable for the penalties.

I APPREHEND the reasons for this measure are strong and conclusive: 1st, Because it is impossible that

that any such Distillery can be erected or carried on, without the knowledge and consent of the farmer upon whose premises it shall be found; and, *2dly*, Because these farmers are often the real proprietors, or at least partners in such Distilleries, it is therefore but just that they should suffer for having permitted such erections, much more if they have been sharers in the adventure. But another reason is, that this would become a powerful motive with gentlemen, to discourage their tenants from embarking in illegal Distilleries, because the penalties which they might incur (being a preferable debt) would subject their landlords to the hazard of losing their rents.

*3dly*, It should be enacted, That where Distilleries are discovered upon any lands, not let to any tenants, the landlords should become liable to the penalties; for this plain reason, that they have it in their power to prevent them; and it is their duty to give an example of steady regard to the laws of their country.

*4thly*, If Distilleries shall be found upon the marches betwixt two proprietors or farmers, the fines shall be exacted from either party, as each of them had equally access to the knowledge of the fact.

*5thly*, As it has been found hazardous for the officers of the Excise to make seizure of the Stills, &c. when they have been discovered, on account of the  
resistance

resistance they have met with, it ought to be enacted That the oaths of two witnesses should be sufficient to convict any Distillers, landlords, or farmers upon whose property Stills should be discovered, though they may not be seized by the officers of Excise.

6thly, THAT the offenders shall be prosecuted within one kalendar month after the discovery, and the officers of Excise should have a full half of the seizure and penalties, upon conviction of the delinquents, as an incitement to diligence and faithfulness ; for without this, they will do nothing to the purpose.

7thly, SIMILAR regulations should be made respecting towns or houses, where there are no farms or lands connected with them.

I AM fully persuaded, that if such arrangements did not entirely put a stop to illicit distillation, they would circumscribe it to such a narrow compass, that the smuggler would not have it in his power materially to injure the revenue, nor to distress the legal Distiller in his market, unless the duties to be imposed shall be so high, as greatly to raise the price of spirits, and thereby offer a premium to the smuggler, equal to his greatest risk, and engage the country in general to afford him their united support.

UPON the whole, it is hoped, that in the preceding  
pages,



pages, all facts of importance have been brought forward in those points of view in which they have been found useful for the illustration of the great object of inquiry, and every opinion worthy of attention has been examined with candour, even where I have found it impossible to acquiesce in it. And I flatter myself, that the conclusions which I have endeavoured to support, will not be considered as imaginary speculations; but will appear, throughout the whole, to be founded upon facts established in the evidence; and I shall think my labours fully rewarded, if the Honourable Committee, or any of the Members of the House of Commons, shall find them useful, in forming their opinions upon a subject so momentuous to the best interests of Scotland.



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